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**TANGIPAHOA PARISH CONVENTION AND VISITORS BUREAU
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/6/08

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Annual Financial Statements

**As of and for the Year Ended December 31, 2007
With Supplementary Information Schedules**

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Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA
Lyle E. Lambert, CPA

Member
American Institute of CPAs
Society of Louisiana CPAs

June 16, 2008

Independent Auditor's Report

Mr. Ed Hoover, Chairman and
Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

We have audited the accompanying financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2007, which collectively comprise the Bureau's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tangipahoa Parish Convention and Visitors Bureau's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Tangipahoa Parish Convention and Visitors Bureau, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2008, on our consideration of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 and the budgetary comparison schedule, identified as Schedule 1, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Durnin & James, CPAs
(A Professional Corporation)

Management's Discussion and Analysis

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Management's Discussion and Analysis

December 31, 2007

Introduction

The Tangipahoa Parish Convention and Visitors Bureau is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the Bureau's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets for the year were \$3,279,476 at December 31, 2007, and exceeded liabilities in the amount of \$3,116,270 (i.e., net assets). Of the total net assets, \$1,042,929 was unrestricted and available to support short-term operations with the balance invested in capital assets.
- Occupancy fees for the fiscal year ending December 31, 2007 were \$619,164, representing a decrease of 20.42% from the total occupancy fees of \$778,111 for the fiscal year ending December 31, 2006.
- The Bureau's operating expenses decreased by \$131,945 to \$1,469,998 as compared to \$1,601,943 for the prior fiscal year. The decrease is due primarily to a decrease in "Capital Outlay" of \$181,808.
- Interest income for the fiscal year ended December 31, 2007, totaled \$45,344 representing a decrease of \$28,113 from the prior fiscal year. The decrease is due primarily to the expenditure for the construction of the new building.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the Bureau's financial condition and performance.

The financial statements report information on the Bureau using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Balance Sheet and the Statement of Revenues, Expenses, and Changes in Net Assets. The Balance Sheet provides information about the nature and amount of the Bureau's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the Bureau and assessing the liquidity and financial flexibility of the Bureau.

The Statement of Revenues, Expenses, and Changes in Net Assets accounts for the revenues and expenses for the fiscal year, and provides information on how net assets changed during the year.

This statement measures the success of the Bureau's operations in a format that can be used to determine if the Bureau has recovered its costs through user fees and other charges.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Management's Discussion and Analysis

December 31, 2007

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the Bureau's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule, key information schedules on operation of the Bureau, and schedules detailing audit findings and management response.

Financial Analysis

The purpose of financial analysis is to help determine whether the Bureau is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Balance Sheet, and the Statement of Revenues, Expenses, and Changes in Net Assets, are presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the Bureau. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Condensed Balance Sheet

	December 31, 2007	December 31, 2006	Dollar Change	Percent Change
Current and Other Assets	\$ 1,206,135	\$ 1,506,544	\$ (300,409)	-19.94%
Capital Assets	2,073,341	1,256,678	816,663	64.99%
Total Assets	<u>\$ 3,279,476</u>	<u>\$ 2,763,222</u>	<u>\$ 516,254</u>	18.68%
Current Liabilities	\$ 163,206	\$ 194,130	\$ (30,924)	-15.93%
Total Liabilities	<u>\$ 163,206</u>	<u>\$ 194,130</u>	<u>\$ (30,924)</u>	-15.93%
Invested in Capital Assets,				
Net of Related Debt	\$ 2,073,341	\$ 1,256,678	\$ 816,663	64.99%
Designated for Capital Activity	-	875,000	(875,000)	-100.00%
Unrestricted	1,042,929	437,414	605,515	138.43%
Total Net Assets	<u>\$ 3,116,270</u>	<u>\$ 2,569,092</u>	<u>\$ 547,178</u>	21.30%
Total Liabilities and Net Assets	<u>\$ 3,279,476</u>	<u>\$ 2,763,222</u>	<u>\$ 516,254</u>	18.68%

The major components of change for "Current and Other Assets" are a \$111,812 decrease in cash, a \$51,829 increase in receivables, and a \$240,426 decrease in investments.

"Capital Assets" increased by \$816,663, reflecting the completion of the new tourist information center of \$647,768, less the depreciation recorded on capital assets of \$49,736 and total purchases of capital assets of \$218,631 for the fiscal year ending December 31, 2007.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Management's Discussion and Analysis

December 31, 2007

"Total Net Assets" (total assets less total liabilities) increased by \$547,178 for the fiscal year ending December 31, 2007, primarily because of the increase in Capital Assets of \$816,663 and the related decrease in "Current and Other Assets" of \$300,409.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	December 31, 2007	December 31, 2006	Dollar Change	Percent Change
Revenues:				
Operating Revenues	\$ 1,155,169	\$ 1,143,032	\$ 12,137	1.06%
Nonoperating Revenues	45,344	73,457	(28,113)	-38.27%
Total Revenues	<u>\$ 1,200,513</u>	<u>\$ 1,216,489</u>	<u>\$ (15,976)</u>	-1.31%
Expenses:				
Depreciation Expense	\$ 49,736	\$ 4,680	\$ 45,056	962.74%
Other Operating Expenses	603,599	553,736	49,863	9.00%
Total Expenses	<u>\$ 653,335</u>	<u>\$ 558,416</u>	<u>\$ 94,919</u>	17.00%
Changes in Net Assets	\$ 547,178	\$ 658,073	\$ (110,895)	-16.85%
Beginning Net Assets	<u>2,569,092</u>	<u>1,911,019</u>	<u>658,073</u>	34.44%
Ending Net Assets	<u>\$ 3,116,270</u>	<u>\$ 2,569,092</u>	<u>\$ 547,178</u>	21.30%

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how the Tangipahoa Parish Convention and Visitors Bureau is being conservatively managed. Total "Operating Revenues" increased by \$12,137 (1.06%). Nonoperating Revenues, consisting of interest income, decreased by \$28,113 reflecting a decrease in cash deposited due to the capital outlay on the new building, equipment, and furniture. Total expenses increased by \$94,919 from the prior fiscal year. "Depreciation Expense" increased for fiscal year ending December 31, 2007. For the category of expense most controllable by the Bureau, "Other Operating Expense," there was a \$49,863 increase from the prior year. "Other Operating Expense" includes expenditures for operations, other than for "Depreciation Expense."

The Bureau showed an income of \$547,178 for the fiscal year ended December 31, 2007, as compared to an income of \$658,073 for the fiscal year ended December 31, 2006.

Budgetary Highlights

The Bureau adopts an annual operating budget in accordance with requirements of the provisions of Louisiana R.S. 33.4574.2. The Bureau prepares and submits its annual budget to the Parish Council for approval. The Parish Council approves the budget through the adoption of a Parish ordinance. This budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operations of the Bureau. The operating budget is adopted before the end of the prior fiscal year, and is amended after review of

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Management's Discussion and Analysis

December 31, 2007

monthly budget-to-actual financial reports, by approval of the Parish Council. A summary of the approved budget is presented below in a condensed format summarizing major revenue and expenditure categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 1 – Budgetary Comparison Schedule," as supplementary information, following the footnotes to the financial statements.

Budget vs. Actual - Fiscal Year Ended December 31, 2007

	Budget for December 31, 2007	Actual for December 31, 2007	Favorable (Unfavorable) Variance
Revenues:			
Operating	\$ 958,000	\$ 1,155,169	\$ 197,169
Nonoperating	18,000	45,344	27,344
Total Revenues	\$ 976,000	\$ 1,200,513	\$ 224,513
Operating Expenses:			
Salaries and Related Benefits	\$ 271,000	\$ 263,971	\$ 7,029
Payroll Taxes	5,000	4,323	677
Advertising and Promotion	360,000	224,940	135,060
Automobile	17,000	16,179	821
Convention Center Expense	150,000	-	150,000
Dues / Subscriptions	6,000	6,060	(60)
Grant Expenditures	75,000	-	75,000
Insurance	12,200	15,485	(3,285)
Office Supplies	10,500	13,541	(3,041)
Operating Leases	7,000	3,994	3,006
Professional Fees	10,000	11,575	(1,575)
Repairs & Maintenance	7,000	10,695	(3,695)
Training	16,000	9,604	6,396
Utilities	35,000	19,801	15,199
Other	3,500	3,431	69
Capital Outlay	1,000,000	866,399	133,601
Total Expenses	\$ 1,985,200	\$ 1,469,998	\$ 515,202
Income / (Loss)	\$ (1,009,200)	\$ (269,485)	\$ 739,715

"Nonoperating Revenues" or interest earned exceeded budgeted amounts by \$27,344. "Operating Revenues" exceeded budgeted amounts by \$197,169 primarily due to an increase in intergovernmental income. "Capital Outlay" was under budget by \$133,601 due partially to change orders on the construction contract. These and other factors resulted in a positive variation of \$739,715 below budget.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Management's Discussion and Analysis

December 31, 2007

Other Significant Trends and Account Changes

Included within this section is first a listing and analysis of general trends and operating data affecting the operation of the Bureau. This is followed by an analysis of any significant account changes, not included within other sections of the MD&A.

General Operating Data

	December 31, 2007	December 31, 2006	Increase (Decrease)
Occupancy Tax:			
Parish	\$ 619,164	\$ 778,111	\$ (158,947)
State	500,000	353,035	146,965
Total	<u>\$ 1,119,164</u>	<u>\$ 1,131,146</u>	<u>\$ (11,982)</u>

Capital Assets

At the end of the fiscal year ending December 31, 2007, Tangipahoa Parish Convention and Visitors Bureau had \$2,073,341 (net of accumulated depreciation) recorded in capital assets. This includes land, construction in progress, equipment, and buildings. The changes in capital assets are presented in the table below.

	December 31, 2007	December 31, 2006	Dollar Change	Percent Change
Land	\$ 165,870	\$ 165,870	\$ -	0.00%
Construction in Progress	-	1,044,107	(1,044,107)	-100.00%
Buildings	1,764,071	72,196	1,691,875	2343.45%
Furniture	171,589	-	171,589	100.00%
Equipment	115,162	68,120	47,042	69.06%
Subtotal	<u>\$ 2,216,692</u>	<u>\$ 1,350,293</u>	<u>\$ 866,399</u>	<u>64.16%</u>
Less: Accumulated Depreciation	<u>\$ 143,351</u>	<u>\$ 93,615</u>	<u>\$ 49,736</u>	<u>53.13%</u>
Net Capital Assets	<u>\$ 2,073,341</u>	<u>\$ 1,256,678</u>	<u>\$ 816,663</u>	<u>64.99%</u>

Future Economic Plans

The Bureau's management approach is conservative. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed expansion projects.

Basic Financial Statements

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Exhibit A

Governmental Fund Balance Sheet / Statement of Net Assets

December 31, 2007

	<u>General Fund</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Net Assets</u>
Assets			
Cash and Cash Equivalents	\$ 333,797	\$ -	\$ 333,797
Receivables, Net of Allowance for Uncollectible Accounts	139,986	-	139,986
Investments	732,352	-	732,352
Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>2,073,341</u>	<u>2,073,341</u>
Total Assets	<u>\$ 1,206,135</u>	<u>\$ 2,073,341</u>	<u>\$ 3,279,476</u>
Liabilities			
Accounts Payable	\$ 31,878	\$ -	\$ 31,878
Payroll Taxes Payable	14,571	-	14,571
Construction Contract Payable	45,134	-	45,134
Retainage Payable	<u>71,623</u>	<u>-</u>	<u>71,623</u>
Total Liabilities	<u>\$ 163,206</u>	<u>\$ -</u>	<u>\$ 163,206</u>
Fund Equity / Net Assets			
Investment in Capital Assets, Net of Related Debt	\$ -	\$ 2,073,341	\$ 2,073,341
Fund Balance - Unreserved, Undesignated	<u>1,042,929</u>	<u>-</u>	<u>1,042,929</u>
Total Fund Equity / Net Assets	<u>\$ 1,042,929</u>	<u>\$ 2,073,341</u>	<u>\$ 3,116,270</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balance / Statement of Activities

For the Year Ended December 31, 2007

	<u>General Fund</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
Expenditures / Expenses			
Current:			
Salaries and Related Benefits	\$ (268,294)	\$ -	\$ (268,294)
Advertising & Promotion	(224,940)	-	(224,940)
Automobile	(16,179)	-	(16,179)
Casual Labor	(100)	-	(100)
Commissioner Related	(2,973)	-	(2,973)
Dues / Subscriptions	(6,060)	-	(6,060)
Insurance	(15,485)	-	(15,485)
Office Supplies	(13,541)	-	(13,541)
Operating Leases	(3,994)	-	(3,994)
Professional Fees	(11,575)	-	(11,575)
Repairs & Maintenance	(10,695)	-	(10,695)
Training	(9,604)	-	(9,604)
Uniforms	(358)	-	(358)
Utilities	(19,801)	-	(19,801)
Capital Outlay	(866,399)	866,399	-
Depreciation Expense	-	(49,736)	(49,736)
Total Expenditures / Expenses	\$ (1,469,998)	\$ 816,663	\$ (653,335)
General Revenues:			
Taxes, Net of Collection Fees	\$ 619,164	\$ -	\$ 619,164
Intergovernmental	500,000	-	500,000
Interest	45,344	-	45,344
Grant Revenue	24,643	-	24,643
Other	11,362	-	11,362
Total General Revenues	\$ 1,200,513	\$ -	\$ 1,200,513
Excess (Deficiency) of Revenues Over Expenditures	\$ (269,485)	\$ 816,663	\$ 547,178
Fund Balance - Beginning of the Year	\$ 1,312,414	\$ 1,256,678	\$ 2,569,092
Fund Balance - End of the Year	\$ 1,042,929	\$ 2,073,341	\$ 3,116,270

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements

For the Year Ended December 31, 2007

Narrative Profile

The Tangipahoa Parish Convention and Visitors Bureau (hereafter referred to as "TPCVB") was created by Ordinance No. 79-12-1 of the Tangipahoa Parish Council (hereafter referred to as "Parish Council") as provided by Louisiana Revised Statutes 33:4574-4574.3. The purpose and duties of the TPCVB are to promote tourism within Tangipahoa Parish. The TPCVB is governed by a board of eight directors appointed by the Parish Council for three-year terms.

To fund the operations of the TPCVB, a four percent tax upon the rental or fee charged for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the Parish of Tangipahoa. The Sheriff of Tangipahoa Parish acts as collecting agent for the tax for a fee of five percent of the taxes collected. The TPCVB presently has five (5) full-time employees and four (4) part-time, which staff a full-time tourist information center in Hammond, Louisiana.

The accounting and reporting policies of the TPCVB conform to generally accepted accounting principles as applicable to governments. Such accounting and procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary Of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the TPCVB have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001.

B. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship.

Because the council appoints the board members, the TPCVB was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the TPCVB and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The TPCVB uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – The General Fund is the general operating fund of the TPCVB. It is used to account for all financial resources, except those required to be accounted for in another fund.

D. Basis of Accounting

The amounts reflected in the Governmental Funds of Exhibits A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the TPCVB's operations.

The amounts reflected in the Governmental Funds of Exhibits A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The TPCVB considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Hotel / motel taxes are considered "measurable" when in the hands of the collecting agency and are recorded as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reduction of revenue when they are measurable and their validity seems certain. All major revenues are susceptible to accrual.

Interest income represents amounts earned on checking accounts and investments with financial institutions. Interest earned on checking accounts and investments is recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

E. Government-Wide Financial Statements

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the TPCVB as a whole. These statements include all the financial activities of the TPCVB. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and the Statement of Net Assets (Exhibit A) for the year ended December 31, 2007 is as follows:

Exhibit B	
Capitalization of Capital Assets	\$ 866,399
Recording of Depreciation Expense	<u>(49,736)</u>
	816,663
Adjustment to Beginning Fund Balance for Prior Year Capital Assets	<u>1,256,678</u>
Net Effect of Changes	<u>\$ 2,073,341</u>

Exhibit A	
Recording of Net Capital Assets	<u>\$ 2,073,341</u>
Net Effect of Changes	<u>\$ 2,073,341</u>

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

F. Budgetary Practices

In accordance with provisions of Louisiana R.S. 33:4574.2, the TPCVB prepared and submitted its annual budget to the Tangipahoa Parish Council for approval. The Tangipahoa Parish Council approves the annual budget submitted by the TPCVB through the adoption of a parish ordinance. Amendments to the adopted budget require approval of the Parish Council in the same manner as the adoption of the original budget. The TPCVB prepares its budget on the modified accrual basis of accounting. The budgets presented in these financial statements are as originally adopted, or amended, if applicable.

G. Encumbrances

The TPCVB does not utilize encumbrance accounting.

H. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the TPCVB may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the TPCVB may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost. See Note 3 regarding cash, cash equivalents, and investments, for further information regarding cash and investments.

I. Inventories

The TPCVB uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The TPCVB did not record inventory at December 31, 2007.

J. Prepaid Items

The TPCVB did not record any prepaid items at December 31, 2007.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which capital asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

Description	Estimated Lives
Furniture	7
Equipment	5
Buildings	40

L. Compensated Absences

The TPCVB's policy is to allow employees vacation pay based on length of service. All full-time employees are entitled to one-week vacation after one full year of service, two weeks after two full years of service, and three weeks after ten full years of service. Vacation leave not taken cannot be accrued, and must be taken in the anniversary year it is acquired. Upon separation from service, employees are paid at their current rate of pay for any accrued vacation leave.

Sick leave is cumulative at the rate of one day of sick leave for each month of continuous employment until a maximum of 180 days has accumulated. Upon separation of service, no more than ten days of accumulated sick pay will be compensated.

Compensatory Time – K-Time shall be calculated at one and one-half hours for each hour of overtime earned. Employees may accumulate compensatory time until the balance reaches 173 hours. Subsequent overtime earned must be paid as overtime and no longer accumulated as compensatory time. Upon separation from service, compensatory time is payable at the employee's current rate of pay.

Total unused benefit time was considered immaterial at December 31, 2007 and has not been reflected in these financial statements.

M. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

2. Receivables

Accounts receivable at December 31, 2007, consisted of the following:

4% Hotel, Motel, and Campground Taxes due from Tangipahoa Parish Sheriff	\$ 137,011
Accrued Interest Receivable	2,975
Less: Allowance for Uncollectible Accounts	-
Total Amounts Due	<u>\$ 139,986</u>

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

3. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the TPCVB may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

As reflected on Exhibit A, the TPCVB has cash totaling \$333,797 and investments totaling \$732,352 at December 31, 2007. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held by and in the name of the fiscal agent bank but pledged to the TPCVB. The following is a summary of cash and investments (bank balances) at December 31, 2007, with the related federal deposit insurance and pledge securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 200,000
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Collateralized:

Collateral held by TPCVB's agent in the TPCVB's name	-
Collateral held by pledging bank's trust department in the TPCVB's name	-
Collateral held by pledging bank's trust department not in the TPCVB's name	1,039,435

Uninsured and Uncollateralized	-
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Total Deposits	<u>\$ 1,239,435</u>
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Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the TPCVB's deposits may not be returned to it. The TPCVB does not have a deposit policy for custodial risk. As of December 31, 2007, \$1,039,435 of the government's bank balance of \$1,239,435 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ -
Uninsured and collateral held by pledging bank trust department not in the TPCVB's name	1,039,435
Total	<u>\$ 1,039,435</u>

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the TPCVB that the fiscal agent has failed to pay deposited funds upon demand.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

4. Capital Assets

A summary of the changes in capital assets follows:

Description	Balance 12/31/06	Increases	Decreases	Balance 12/31/07
Capital Assets Not Depreciated:				
Land	\$ 165,870	\$ -	\$ -	\$ 165,870
Construction in Progress	1,044,107	-	1,044,107	-
Other Capital Assets:				
Buildings	72,196	1,691,875	-	1,764,071
Equipment	68,120	47,042		115,162
Furniture	-	171,589	-	171,589
Total Other Capital Assets	\$ 140,316	\$ 1,910,506	\$ -	\$ 2,050,822
Less: Accumulated Depreciation	\$ 93,615	\$ 49,736	\$ -	\$ 143,351
Other Capital Assets, Net	\$ 46,701	\$ 1,860,770	\$ -	\$ 1,907,471
Total	\$ 1,256,678	\$ 1,860,770	\$ 1,044,107	\$ 2,073,341

5. Pension Plan

Substantially all employees of the Tangipahoa Parish Convention and Visitors Bureau are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing multiple-employer (defined benefit), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the TPCVB are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Plan members are required by state statute to contribute 9.5 percent of their annual covered salary and the TPCVB is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Convention and Visitors Bureau's contributions to the System for the years ending December 31, 2007, 2006, and 2005 were \$24,776, \$29,338, and \$28,040 respectively, equal to the required contributions for each year.

6. Other Postemployment Benefits

The TPCVB has no other postemployment benefits.

7. Leases

On June 29, 1983, the TPCVB entered into an agreement with the Parish Council to lease a parcel of land located in Hammond, Louisiana, for a period of twenty years for the purpose of erecting a building to be used as an office for the TPCVB and a Tourist Information Center. The only consideration for this lease is the benefit to the public and citizens of Tangipahoa Parish to be derived from the use of the premises. The lease is renewable for an additional term of twenty years upon written request by the TPCVB. A construction project for the erection of the building was begun in 1983 but was subsequently abandoned in 1984 at which time the startup costs of the project were written off. In 1989, the TPCVB erected a new building on this site and relocated its office in June 1989.

In addition, the TPCVB is leasing a copier under a five-year operating lease, expiring in August 2012. The lease is dated February 15, 2007, with the first payment being made in September 2007.

The TPCVB is leasing a Pitney Bowes Postage Meter under a fifty-one month operating lease, expiring in November 2010.

Also, the TPCVB is leasing an automobile under a three-year operating lease, expiring in August 2009.

The following is a schedule of future minimum lease payments required under the above operating leases as of December 31, 2007:

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2007

<u>December 31,</u>	<u>Amount</u>
2008	\$ 14,415
2009	11,706
2010	5,973
2011	5,028
2012	<u>3,352</u>
	<u>\$ 40,474</u>

Lease payments amounted to \$11,063 in 2007.

8. Per Diem Paid Board Members

For the year ended December 31, 2007, no per diem or other compensation was paid to the Board members of the TPCVB.

Required Supplemental Information

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Schedule 1

Budgetary Comparison Schedule

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Taxes	\$ 650,000	\$ 650,000	\$ 651,752	\$ 1,752
Less: Collection Fee	(32,500)	(32,500)	(32,588)	(88)
Intergovernmental	260,000	260,000	500,000	240,000
Interest	18,000	18,000	45,344	27,344
Grant Revenue	80,000	80,000	24,643	(55,357)
Other	500	500	11,362	10,862
Total Revenues	<u>\$ 976,000</u>	<u>\$ 976,000</u>	<u>\$ 1,200,513</u>	<u>\$ 224,513</u>
Expenditures:				
Current:				
Salaries and Related Benefits	\$ 246,000	\$ 246,000	\$ 239,196	\$ 6,804
Payroll Taxes	5,000	5,000	4,323	677
Retirement	25,000	25,000	24,775	225
Advertising & Promotion	360,000	360,000	224,940	135,060
Automobile	17,000	17,000	16,179	821
Casual Labor	-	-	100	(100)
Commissioner Related	2,000	2,000	2,973	(973)
Convention Center Expense	150,000	150,000	-	150,000
Dues / Subscriptions	6,000	6,000	6,060	(60)
Grant Expenditures	75,000	75,000	-	75,000
Insurance	12,200	12,200	15,485	(3,285)
Office Supplies	10,500	10,500	13,541	(3,041)
Operating Leases	7,000	7,000	3,994	3,006
Professional Fees	10,000	10,000	11,575	(1,575)
Repairs & Maintenance	7,000	7,000	10,695	(3,695)
Training	16,000	16,000	9,604	6,396
Uniforms	1,500	1,500	358	1,142
Utilities	35,000	35,000	19,801	15,199
Capital Outlay	1,000,000	1,000,000	866,399	133,601
Total Expenditures	<u>\$ 1,985,200</u>	<u>\$ 1,985,200</u>	<u>\$ 1,469,998</u>	<u>\$ 515,202</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,009,200)</u>	<u>\$ (1,009,200)</u>	<u>\$ (269,485)</u>	<u>\$ 739,715</u>
Fund Balance - Beginning of the Year	<u>\$ 1,516,395</u>	<u>\$ 1,516,395</u>	<u>\$ 1,312,414</u>	<u>\$ (203,981)</u>
Fund Balance - End of the Year	<u>\$ 507,195</u>	<u>\$ 507,195</u>	<u>\$ 1,042,929</u>	<u>\$ 535,734</u>

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA
Lyle E. Lambert, CPA

Member
American Institute of CPAs
Society of Louisiana CPAs

June 16, 2008

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Mr. Ed Hoover, Chairman and
Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

We have audited the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau, Amite, Louisiana, a component unit of the Tangipahoa Parish Council, as of for the year ended December 31, 2007, which collectively comprise the Tangipahoa Parish Convention and Visitors Bureau's basic financial statements and have issued our report thereon dated June 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Tangipahoa Parish Convention and Visitors Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Tangipahoa Parish Convention and Visitors Bureau's financial statements that is more than inconsequential will not be prevented or detected by the Tangipahoa Parish Convention and Visitors Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Tangipahoa Parish Convention and Visitors Bureau's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in black ink that reads "Durnin & James, CPAs". The signature is written in a cursive, flowing style.

Durnin & James, CPAs
(A Professional Corporation)

Schedule of Findings and Questioned Costs

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2007

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Corrective Action Plan for Current Year Audit Findings

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Corrective Action Plan for Current Year Audit Findings

For the Year Ended December 31, 2007

<u>Ref. #</u>	<u>Description of Findings</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Tangipahoa Parish Convention and Visitors Bureau.

Summary Schedule of Prior Audit Findings

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2007

Ref. #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken	Planned Corrective Action - Partial Corrective Action Taken
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Tangipahoa Parish Convention and Visitors Bureau.